

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

|                                  |   |                                      |
|----------------------------------|---|--------------------------------------|
| -----                            | X |                                      |
| BARRY C. HONIG, et al.,          | : |                                      |
|                                  | : |                                      |
| Plaintiffs,                      | : |                                      |
| v.                               | : |                                      |
|                                  | : | 20 Civ. 5872 (AKH)                   |
| JOHN DAVID HANSEN and GREGORY P. | : |                                      |
| HANSON,                          | : |                                      |
|                                  | : |                                      |
| Defendants.                      | : |                                      |
| -----                            | X |                                      |
|                                  | : |                                      |
| GRANDER HOLDINGS, INC., et al.,  | : |                                      |
|                                  | : |                                      |
| Plaintiffs,                      | : | 20 Civ. 8618 (AKH)                   |
| v.                               | : |                                      |
|                                  | : |                                      |
| JOHN DAVID HANSEN and GREGORY P. | : | <b><u>ORDER DISMISSING</u></b>       |
| HANSON,                          | : | <b><u>COMPLAINTS FOR LACK OF</u></b> |
|                                  | : | <b><u>JURISDICTION</u></b>           |
| Defendants.                      | : |                                      |
| -----                            | X |                                      |
| ALVIN K. HELLERSTEIN, U.S.D.J.:  |   |                                      |

In two related actions, 20-cv-5872 (the “Honig Case”) and 20-cv-8618 (the “Grander Case”), two separate groups of shareholders bring claims sounding in fraud against Defendants John David Hansen and Gregory Hanson. Plaintiffs in the Honig Case are Barry C. Honig, GRQ Consultants, Inc., GRQ Consultants, Inc. 401K, GRQ Consultants, Inc. Roth 401K FBO Barry Honig, GRQ Consultants, Inc. Roth 401K FBO Renee Honig, Robert S. Colman, as well as Robert S. Colman Trust UDT 3/13/85 and HS Contrarian Investments, LLC, a limited liability company. The plaintiffs in the Grander Case are Grander Holdings, Inc., Grander Holdings, Inc. 401K PSP, Michael Brauser, Daniel Brauser, Benjamin Brauser, Gregory Brauser, Joshua Brauser, and Brauser Family Trust 2008. The alleged jurisdictional basis is diversity of citizenship, pursuant to 28 U.S.C. § 1332.

For diversity purposes, a limited liability company is deemed to be a citizen of all the states in which its members are citizens. *See Handelsman v. Bedford Vill. Assocs. Ltd. P'ship*, 213 F.3d 48, 51052 (2d Cir. 2000) (citing *Carden v. Arkoma Assocs.*, 494 U.S. 185, 195-96 (1990)); *see also Americold Realty Tr. v. Conagra Foods, Inc.*, 136 S. Ct. 1012, 1014 (2016) (“While humans and corporations can assert their own citizenship, other entities take the citizenship of their members.”). Similarly, an unincorporated entity, such as a trust, possesses the citizenship of all its members. *Americold Realty Tr. v. Conagra Foods, Inc.*, 577 U.S. 378, 383 (2016) (holding that a real estate investment trust must allege the citizenship of all its members, including its shareholders). Plaintiffs in both cases have failed to identify the members of the limited liability companies and trusts and failed to allege their citizenship.

Jurisdiction is fundamental to the ability of a district court to resolve motions, however important and however advanced. Even though the parties have not raised the issue, the court has the obligation to do so, *sua sponte*. *See Zhou v. Peng*, 286 F. Supp. 2d 255, 262 (S.D.N.Y. 2003) (“It is axiomatic that issues of the Court's subject matter jurisdiction may be raised at any time, including on appeal and *sua sponte* by the Court”); *see also* Fed.R.Civ.P. 12(h)(3) (“Wherever it appears by suggestion of the parties or otherwise that the court lacks jurisdiction of the subject matter, the court shall dismiss the action.”).

The complaints in 20cv-5872 and 20-cv-8618 are dismissed, with leave to replead an adequate basis of complete diversity of citizenship no later than 20 days from this order. The Clerk shall mark ECF Nos. 57, 81, and 91 terminated. The argument scheduled for August 10, 2021, is canceled.

SO ORDERED.

Dated: August 9, 2021  
New York, New York

/s/ Alvin K. Hellerstein  
ALVIN K. HELLERSTEIN  
United States District Judge